

HOUSE BILL 982

Unofficial Copy  
B2

2001 Regular Session  
(11r1486)

**ENROLLED BILL**  
*-- Appropriations/Budget and Taxation --*

Introduced by **Frederick County Delegation**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Creation of a State Debt - Frederick County - Weinberg Center for the Arts**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$500,000~~  
4 \$100,000, the proceeds to be used as a grant to the Mayor and Board of  
5 Aldermen of the City of Frederick for certain development or improvement  
6 purposes; providing for disbursement of the loan proceeds, subject to a  
7 requirement that the grantee provide and expend a matching fund; providing  
8 that the grantee must grant and convey a certain covenant to the Maryland  
9 Historical Trust; and providing generally for the issuance and sale of bonds  
10 evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on  
14 behalf of the State of Maryland through a State loan to be known as the Frederick  
15 County - Weinberg Center for the Arts Loan of 2001 in a total principal amount equal  
16 to the lesser of (i) ~~\$500,000~~ \$100,000 or (ii) the amount of the matching fund provided

1 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,  
2 sale, and delivery of State general obligation bonds authorized by a resolution of the  
3 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117  
4 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of  
5 the Code.

6 (2) The bonds to evidence this loan or installments of this loan may be sold as  
7 a single issue or may be consolidated and sold as part of a single issue of bonds under  
8 § 8-122 of the State Finance and Procurement Article.

9 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer  
10 and first shall be applied to the payment of the expenses of issuing, selling, and  
11 delivering the bonds, unless funds for this purpose are otherwise provided, and then  
12 shall be credited on the books of the Comptroller and expended, on approval by the  
13 Board of Public Works, for the following public purposes, including any applicable  
14 architects' and engineers' fees: as a grant to the Mayor and Board of Aldermen of the  
15 City of Frederick (referred to hereafter in this Act as "the grantee") for the  
16 construction, renovation, repair, reconstruction, and capital equipping of a facility  
17 located at 20 West Patrick Street in Frederick, Maryland, for the Weinberg Center for  
18 the Arts.

19 (4) An annual State tax is imposed on all assessable property in the State in  
20 rate and amount sufficient to pay the principal of and interest on the bonds, as and  
21 when due and until paid in full. The principal shall be discharged within 15 years  
22 after the date of issuance of the bonds.

23 (5) Prior to the payment of any funds under the provisions of this Act for the  
24 purposes set forth in Section 1(3) above, the grantee shall provide and expend a  
25 matching fund. No part of the grantee's matching fund may be provided, either  
26 directly or indirectly, from funds of the State, whether appropriated or  
27 unappropriated. No part of the fund may consist of real property, in kind  
28 contributions, or funds expended prior to the effective date of this Act. In case of any  
29 dispute as to the amount of the matching fund or what money or assets may qualify  
30 as matching funds, the Board of Public Works shall determine the matter and the  
31 Board's decision is final. The grantee has until June 1, 2003, to present evidence  
32 satisfactory to the Board of Public Works that a matching fund will be provided. If  
33 satisfactory evidence is presented, the Board shall certify this fact and the amount of  
34 the matching fund to the State Treasurer, and the proceeds of the loan equal to the  
35 amount of the matching fund shall be expended for the purposes provided in this Act.  
36 Any amount of the loan in excess of the amount of the matching fund certified by the  
37 Board of Public Works shall be canceled and be of no further effect.

38 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey  
39 to the Maryland Historical Trust a preservation covenant to the extent of its interest:

40 (i) On the land or such portion of the land acceptable to the Trust;  
41 and

1 (ii) On the exterior and interior, where appropriate, of the historic  
2 structures.

3 ~~(b) The covenant must be in form and substance acceptable to the Trust~~  
4 ~~and the extent of the interest to be encumbered must be acceptable to the Trust.~~

5 *(b) If the grantee or beneficiary of the grant holds a lease on the land and*  
6 *structures, the Trust may accept an easement on the leasehold interest.*

7 *(c) The easement must be in form and substance acceptable to the Trust*  
8 *and any liens or encumbrances against the land or the structures must be acceptable to*  
9 *the Trust.*

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
11 effect June 1, 2001.